



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning &
Development
Department No.: 053
For Agenda Of: August 25, 2009
Placement: Set Hearing
Estimated Tme: 1 hour on 9-1-09
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Dianne Black, 568-2086
Contact Info: Doug Anthony, 568-2046
SUBJECT: Overview of Offshore Oil & Gas Development; Draft Proposed Five-Year Outer Continental Shelf Leasing Program; Minerals Management Service Rulemaking

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: No

Recommended Actions:

Set a hearing for the September 1, 2009, departmental agenda to:

- a) Receive an overview of offshore oil and gas development from the Energy Division;
- b) Authorize the Chair to execute a comment letter on the draft Five-Year Outer Continental Shelf Leasing Program proposed by the U.S. Department of the Interior; and
- c) Authorize the Chair to execute a comment letter on rulemaking proposed by the Minerals Management Service that seeks to require all offshore operators to implement a Safety and Environmental Management System.

Summary Text:

Comments for item b, above, are due by September 21, 2009. Comments for item c are due by September 15, 2009. Staff will docket a full docket packet for the request September 1, 2009 hearing.

Background:

Earlier this year, Supervisor Carbajal requested the Energy Division to provide the Board with an overview of oil and gas development offshore Santa Barbara County. This overview prefaces staff recommended comments on the next five-year leasing program and recently proposed regulations.

The five-year leasing program defines the size, location and timing of leasing tracts in the nation's outer continental shelf for both oil/gas and renewable energy development. The draft program proposed by the

U.S. Department of the Interior last fall includes four areas offshore California for consideration of new oil/gas leases: (1) the Point Arena Basin offshore Fort Bragg, (2) the Santa Maria Basin offshore Santa Barbara and San Luis Obispo Counties, (3) the Santa Barbara Channel offshore Santa Barbara and Ventura Counties, and (4) the Oceanside/Capistrano Basins offshore San Diego County.

The proposed regulations by the Minerals Management Service seek to require all offshore platform operators to establish a Safety and Environmental Management System that would consist of four elements: (1) Hazards Analysis, (2) Management of Change, (3) Operating Procedures, and (4) Mechanical Integrity. The recommended regulations are based on investigations of previous accidents that equipment failure is rarely the primary cause, largely due to technological improvements. Rather, the investigation concludes that, in most cases, accidents and oil spills can be traced to human error and/or organizational failures.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Expenditures for staff to prepare the overview of offshore oil/gas development is budgeted on page D-320 of the FY-09/10 draft budget book in line-item Permitting and Compliance (program 5010), under "Use of Funds Summary." Expenditures to review and prepare responses to the five-year leasing program and proposed rulemaking appears in line-item Long Range Planning (program 5080).

Special Instructions:

Return executed comment letters to Doug Anthony for electronic submittal.

Attachments:

None

Authored by:

Doug Anthony